

LEON FUAT BERHAD (756407-D)
(Incorporated in Malaysia)

Minutes of the Tenth Annual General Meeting of Leon Fuat Berhad (“the Company”) held at Langkawi Room, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Tuesday, 6 June 2017 at 2.30 p.m.

Directors Present: Dato’ Ng Soon Por (*Chairman, Independent Non-Executive Director*)
Dato’ Sri Ooi Bin Keong (*Group Managing Director*)
Mr. Ooi Seng Khong (*Executive Director*)
Mr. Ooi Kong Tiong (*Executive Director*)
Mr. Ng Kok Teong (*Executive Director*)
Mr. Calvin Ooi Shang How (*Executive Director*)
Mr. Richard Chan Kee Loin (*Independent Non-Executive Director*)
Mr. Tan Did Heng (*Independent Non-Executive Director*)
Mr. Alex Tan Sack Sen (*Independent Non-Executive Director*)

In Attendance: Company Secretaries
Mr. Yeoh Chong Keat
Ms. Lim Fei Chia

Representatives from Messrs Baker Tilly Monteiro Heng
Dato’ Lock Peng Kuan
Mr. Aaron Wong Sze Yan
Mr. Andrew Choong

1. **INTRODUCTION AND PRESENTATION**

The Chairman of the Board, Dato’ Ng Soon Por presided as Chairman of the meeting and welcomed all shareholders to the Company’s Tenth Annual General Meeting (“AGM”). The Chairman proceeded to introduce his fellow Directors to the shareholders.

Before proceeding with the agenda of the meeting, the Chairman invited Mr. Calvin Ooi, the Executive Director to give his presentation.

Mr. Calvin Ooi made a brief presentation at the meeting covering:

- (i) Updates on expansion projects of the Group
- (ii) Bukit Raja New Factory;
- (iii) Concept Drawing of New Factory;
- (iv) New Factory Layout;
- (v) Update and benefits of warehouse in Port Klang Free Zone (PKFZ); and
- (vi) Stock Movement.

There being no questions raised, the Chairman continued with the meeting.

2. **QUORUM**

Upon confirming the presence of a quorum with the Secretary, the Chairman duly called the meeting to order.

LEON FUAT BERHAD (756407-D)Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)**3. SHAREHOLDERS' VOTING RIGHTS**

The Chairman informed the floor that all shareholders present in person or by proxy or authorised representative or attorney were entitled to vote by poll at the AGM as all the resolutions tabled for shareholders' approval at the AGM would be decided on a poll in compliance with the Listing Requirements of Bursa Securities.

The Chairman further informed that the polling would be conducted upon completion of deliberations of all items to be transacted at the AGM. The Company has appointed Symphony Share Registrars Sdn Bhd as Poll Administrator to conduct the polling and Archer Consulting Group Sdn Bhd as Scrutineer to verify the poll results.

4. NOTICE

The Chairman duly called the meeting to order.

The Notice convening the AGM had been sent to all the shareholders of the Company in accordance with the Company's Articles of Association and was published in the New Straits Times on 28 April 2017.

There being no objection from the floor, the notice convening the AGM was taken as read.

The Chairman informed that in order to facilitate the orderly conduct of the meeting, a questions & answers session would be held after the Meeting had procedurally moved each motion.

5. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 AND THE REPORTS OF THE DIRECTORS AND AUDITORS THEREON

The Audited Financial Statements of the Company for the financial year ended 31 December 2016 ("AFS") and the Reports of the Directors and Auditors thereon which had been previously circulated to all the members of the Company within the statutory period were tabled before the Meeting.

With the unanimous consent of the members, the Auditors' Report contained in the AFS was taken as read.

The Chairman then invited questions from the floor.

Mr.. Muniandy a/l Karishnan, a shareholder commended the Company for the improved performance for the financial year ended 31 December 2016. He then sought clarifications on the following items in the AFS:

- Borrowings of RM166,612,020 under current liabilities; and
- Impairment loss on trade receivables of RM1,384,917.

LEON FUAT BERHAD (756407-D)

Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

Mr. Tan Kien Yap, the CFO responded that approximately 87% of the bank borrowings are short term bank borrowings such as bankers' acceptance and overdraft. The borrowings are necessary for working capital requirements and to finance the purchases in the ordinary course of business of the Group.

The CFO added that the Group's borrowings are manageable and the gearing ratio for the financial year under review of approximately 0.76 is within control of the Management. Management will maintain an optimum level of borrowings for the interests of the Group.

With regards to the impairment loss on trade receivables, the CFO explained that under the Group's policy, there would be general provisions for doubtful debts for outstanding receivables over certain period of time. The CFO further clarified that notwithstanding, there was reversal of impairment loss on trade receivables amounting to RM887,816 for the financial year under review.

To the question of Mr. Chow Tai Hee on any plan by Management to diversify the business activities of the Group, Calvin replied in the negative. Calvin remarked that the interim financial results of the Group for the first quarter of 2017 has been satisfactory and the Management is hopeful that the Group will achieve good performance for the remaining period of the year and reward shareholders accordingly.

There being no other questions raised, the AFS of the Company and the Reports of the Directors and Auditors thereon as laid before the meeting were declared by the Chairman to be duly received.

6. **RESOLUTION 1**

APPROVAL OF A FINAL SINGLE TIER DIVIDEND OF 1.5 SEN PER SHARE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Mr. Low Song Siew proposed and by Mr. Chin Yoong Chee seconded the following motion:-

“THAT the declaration of a final single tier dividend of 1.5sen per share for the financial year ended 31 December 2016 be hereby approved.”

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

7. **RESOLUTION 2**

APPROVAL OF PAYMENT OF DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The Chairman proceeded to the next item of the agenda. Mr. Low Song Siew proposed and Ms. Jenet Leng seconded the following motion:

LEON FUAT BERHAD (756407-D)

Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

“THAT the payment of Directors’ fees of RM820,000.00 in respect of the financial year ended 31 December 2016 be and is hereby approved.”

To the enquiry of Mr. Len Nyok Chong, the Chairman informed that total Directors’ fees of RM820,000.00 in respect of the financial year ended 31 December 2016 is inclusive of the Directors’ fees paid to the Executive Directors of the Company by its subsidiaries amounting to RM350,000.00.

There being no other questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

8. **RESOLUTION 3**

APPROVAL OF PAYMENT OF DIRECTORS’ FEES AND ALLOWANCES FROM 1 JANUARY 2017 UNTIL THE NEXT AGM

The Chairman proceeded to the next item of the agenda which was to seek shareholders’ approval for the payment of Directors’ fees and allowances up to an aggregate amount of RM1,050,000.00 from 1 January 2017 until the next AGM.

The Chairman informed that the proposed resolution, if passed, will facilitate the payment of Directors’ fees and allowances to the Directors of the Company on a timely manner after they have discharged their responsibilities and rendered their services to the Company.

Mr. Muniandy a/l Karishnan proposed and Ms. Ng Siew Mun seconded the following motion:

“THAT the payment of Directors’ fees and allowances up to RM1,050,000.00 from 1 January 2017 until the next AGM be and is hereby approved.”

To the enquiry of Mr. Len Nyok Chong, the Chairman explained that the proposed payment of Directors’ fees and allowances which is the subject of the proposed resolution is in line with the requirements of the Companies Act 2016.

There being no other questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

9. **RESOLUTION 4, 5 AND 6**

RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 85 OF THE COMPANY’S ARTICLES OF ASSOCIATION

The Chairman informed that pursuant to Article 85 of the Company’s Constitution (Articles of Association), Dato’ Sri Ooi Bin Keong, Mr. Ooi Seng Khong and Mr. Ooi Kong Tiong retire by rotation and being eligible, have offered themselves for re-election.

LEON FUAT BERHAD (756407-D)Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

Dato' Ng Soon Por proposed and Mr. Len Nyok Chong seconded the following motion:

“THAT Dato' Sri Ooi Bin Keong who is retiring pursuant to Article 85 of the Company's Articles of Association and being eligible, be hereby re-elected to office.”

Dato' Ng Soon Por proposed and Mr. Chin Yoong Chee seconded the following motion:

“THAT Ooi Seng Khong who is retiring pursuant to Article 85 of the Company's Articles of Association and being eligible, be hereby re-elected to office.”

Dato' Ng Soon Por proposed and Mr. Chin Yoong Chee seconded the following motion:

“THAT Ooi Kong Tiong who is retiring pursuant to Article 85 of the Company's Articles of Association and being eligible, be hereby re-elected to office.”

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

10. **RESOLUTION 7**

APPOINTMENT OF AUDITORS

The Chairman proceeded to the next item of the agenda which was to seek shareholders' approval for the appointment of Messrs Baker Tilly Monteiro Heng who had indicated their willingness to accept appointment as Auditors of the Company in place of the retiring Auditors, Messrs Baker Tilly AC.

Mr. Muniandy a/l Karishnan proposed and by Mr. Chow Tai Hee seconded the following motion:

“THAT Messrs Baker Tilly Monteiro Heng be hereby appointed as Auditors of the Company in place of the retiring Auditors, Messrs Baker Tilly AC and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration.”

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

11. **RESOLUTION 8**

AUTHORITY FOR DIRECTORS TO ISSUE SHARES

Ms. Ng Siew Mun proposed and Mr. Chu Wai Tin seconded the following motion:

“THAT pursuant to Sections 75 and 76 of the Companies Act, 1965, and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue new shares in the Company at any time, at such price,

LEON FUAT BERHAD (756407-D)

Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

upon such terms and conditions and for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution in any one financial year does not exceed 10% of the total issued share capital of the Company at the time of issue AND THAT the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.”

To the enquiry of Mr. Muniandy a/l Karishnan, the Chairman clarify that the aggregate number of shares issued pursuant to this resolution in any one financial year must not exceed 10% of the total issued share capital of the Company at the time of issue.

There being no other questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

12. **RESOLUTION 9**

PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED SHAREHOLDERS' MANDATE”)

The Chairman informed that the next item on the agenda was to seek shareholders' approval for the Company and its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business. The relevant information of the Proposed Shareholders' Mandate was set out in the Circular to Shareholders dated 28 April 2017.

The shareholders were further informed that the Directors and/or Substantial Shareholders namely Dato' Sri Ooi Bin Keong, Ooi Kong Tiong, Ng Lam Keong, Ooi Seng Khong, Ooi Pek Kuan, Ng Kok Teong, Ooi Shang How, Ng Kok Wee, Ong Mung Hsia, Ng Bee Fong, Leon Fuat Holdings Sdn Bhd and NCT & Sons Sdn Bhd are interested parties in the Proposed RRPT Mandate, they and persons connected to them shall abstain from voting on this resolution.

Ms. Ng Siew Mun proposed and Mr. Chu Wai Tin seconded the following motion:

“THAT subject always to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature, details as set out in Section 2.5 of the Circular to Shareholders dated 28 April 2017 with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

LEON FUAT BERHAD (756407-D)Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

THAT the approval shall continue to be in force until:

- (i) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed; or
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 (“the Act”) (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by a resolution passed by the shareholders in a general meeting;

whichever is the earlier;

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders’ Mandate.”

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted upon completion of all the remaining business of the Meeting.

There being no questions raised, the Chairman informed the floor that the voting on all the resolutions by poll will be conducted.

13. **POLLING PROCESS**

The Chairman briefed the shareholders on the polling procedures and informed that the Registrar and Independent Scrutineers will be conducting the polling and vote counting process as well as verification after the casting of votes.

The shareholders were further informed that the poll results would be announced as soon as after the Scrutineers have completed their report.

The Chairman declared the Meeting adjourned at 3.10 p.m. for the polling process.

14. **ANNOUNCEMENT OF POLL RESULTS**

At 3.40 p.m., the Chairman called the Meeting back to order for the declaration of poll results. He informed that the Scrutineers have completed their report and announce the poll results in respect of all the Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9 as set out in Appendix I.

The Chairman declared that Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9 were all duly carried.

LEON FUAT BERHAD (756407-D)

Minutes of the Tenth Annual General Meeting held on 6 June 2017 (cont'd)

15. **CLOSURE**

There being no other business, the Meeting closed at 3.45 p.m. with a vote of thanks to the Chairman.

READ AND CONFIRMED BY

SIGNED

CHAIRMAN

Date: 20 June 2017

APPENDIX I

Resolution	Vote For		Vote Against		Abstain
	No. of Shares	%	No. of Shares	%	No. of Shares
Ordinary Resolution 1 To approve a final single tier dividend of 1.5 sen per share for the financial year ended 31 December 2016	223,434,200	99.9978	5,000	0.0022	-
Ordinary Resolution 2 To approve the payment of Directors' fees amounting to RM820,000.00 for the financial year ended 31 December 2016	223,353,700	99.9698	67,500	0.0302	18,000
Ordinary Resolution 3 To approve the payment of Directors' fees and allowances up to RM1,050,000.00 from 1 January 2017 until the next AGM of the Company	223,343,600	99.9653	77,600	0.0347	18,000
Ordinary Resolution 4 To re-elect Dato' Sri Ooi Bin Keong who retires in accordance with Article 85 of the Company's Articles of Association	223,434,200	99.9978	5,000	0.0022	-
Ordinary Resolution 5 To re-elect Ooi Seng Khong who retires in accordance with Article 85 of the Company's Articles of Association	223,434,200	99.9978	5,000	0.0022	-
Ordinary Resolution 6 To re-elect Ooi Kong Tiong who retires in accordance with Article 85 of the Company's Articles of Association	223,434,200	99.9978	5,000	0.0022	-
Ordinary Resolution 7 To appoint Messrs Baker Tilly Monteiro Heng as the Company's auditors in place of Messrs Baker Tilly AC and to authorise the Directors to fix their remuneration	223,416,200	99.9978	5,000	0.0022	18,000

Resolution	Vote For		Vote Against		Abstain
	No. of Shares	%	No. of Shares		No. of Shares
Ordinary Resolution 8 Authority for the Directors to issue shares	223,301,000	99.9829	38,200	0.0171	100,000
Ordinary Resolution 9 Proposed Shareholders' Mandate	1,293,200	99.6149	5,000	0.3851	222,141,000